

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 L-03 COME-00 STR-08 TRSE-00

AGR-20 CIAE-00 INR-10 NSAE-00 RSC-01 IO-14 SS-20

SPC-03 NSC-10 DRC-01 /127 W

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P 201515Z NOV 73

FM AMEMBASSY MADRID

TO SECSTATE WASHDC PRIORITY 7287

LIMITED OFFICIAL USE MADRID 6800

PASS AGRICULTURE

E.O. 11652: N/A

TAGS: EAGR, ETRD, SP

SUBJ: SOYBEANS

REF: STATE 228318

1. RE PARA 3 CONCERNING DOMESTIC SALES "QUOTA" FOR SOYBEAN OIL. AGATT UNDERSTANDS ONLY RESTRICTION ON DOMESTIC SALES IS THAT FLOOR PRICE HAS BEEN SET AT 32 PESETAS PER LITER (SEE SP3051 OF AUGUST 31, 1973). AT THIS LEVEL SOY OIL PRICE APPEARS QUITE COMPETITIVE WITH OTHER OILS-PARTICULARLY OLIVE OIL. REGULATING DECREE 2033 STATES FURTHER THAT IN VIEW CURRENT SITUATION (HIGH PRICES IN WORLD MARKET) "IT SEEMS OPPORTUNE TIME TO LIBERALIZE THE SALES PRICE OF SOYBEAN OIL AS WELL AS THE QUANTITY WHICH CAN BE PLACED ON THE DOMESTIC MARKET..." THUS WE BELIEVE SOYBEAN OIL CAN BE SOLD FREELY ON DOMESTIC MARKET AND NO DISCRIMINATION UNDER PRESENT REGULATIONS. IN FACT SPAIN CURRENTLY IMPORTING SOYBEAN OIL FOR FIRST TIME IN MANY YEARS AND WE UNDERSTAND IMPORT DUTIES ON OIL HAVE BEEN SUSPENDED (LATTER NOT YET PUBLISHED IN STATE GAZETTE).

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2. RE PARA 4, CEILING PRICES OR OTHER REGULATIONS NOT,

REPEAT, NOT EXPECTED TO HAMPER RESUMPTION OF SOYBEAN IMPORTS. RECENT IMPORTS OF MEAL AND OIL WILL, OF COURSE, COMPETE WITH DOMESTIC CRUSHERS OUTPUT BUT SHOULD BE BENEFICIAL TO U.S. CRUSHERS. THERE HAVE BEEN NO CHANGES IN SUBSIDIES AND CEILING PRICES FROM THOSE PREVIOUSLY REPORTED. NO CHANGES ANTICIPATED EXCEPT FOR OLIVE OIL WHERE PRESSURES BUILDING UP FOR RELAXATION OF DOMESTIC PRICE AND EXPORT CONTROLS. SOME TRADERS HAVE PROPOSED THAT SPAIN SHOULD EXPORT MORE OF THE HIGH PRICED OLIVE OIL AND RELY ON CHEAPER SEED OILS FOR DOMESTIC CONSUMPTION.

3. VARIABLE LEVIES PUBLISHED STATE GAZETTE OF NOVEMBER

16 FOLLOW (IN PESETAS/METRIC TON):

SOYBEANS....11,529

SOYBEAN MEAL.....9,108

4. FURTHER COMMENTS RE VARIABLE LEVY TO BE REPORTED SEPTEL. MONTLLOR

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Message Attributes

Automatic Decaptioning: X
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EO Systematic Review
30 JUN 2005

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